

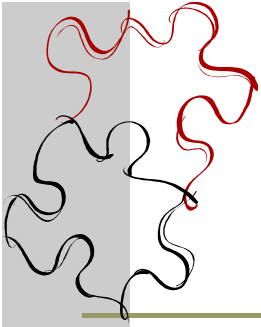
Listen and Learn Series

Fiscal Monitoring

Jan Breton, Federal Program Coordinator

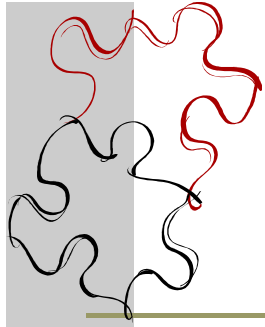
March 15. 2012

9 AM



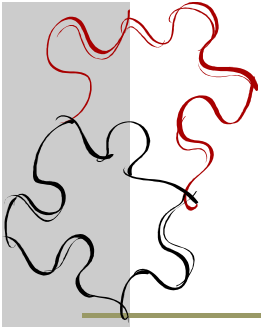
Notice

- The following information is subject to revision.



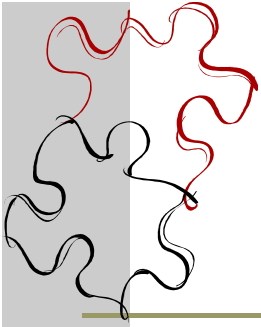
Fiscal Monitoring

- MDOE is required to conduct monitoring to ensure that federal fund subrecipients are in compliance with federal program requirements



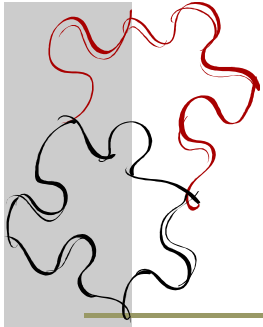
Purposes

- Conduct during the award monitoring
- Identify and monitor with enhanced procedures SAUs considered to be high risk
- Monitor a random sample of subrecipients (if capacity)



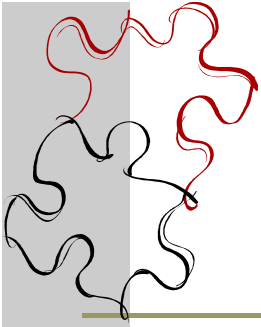
Goal

-
- Monitor 10 SAUs each fiscal year
 - May do more or less depending on capacity



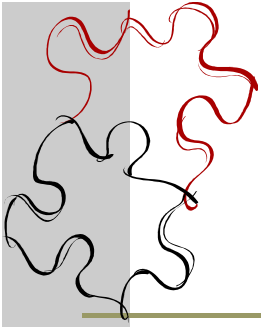
During the Award Monitoring

- Review IDEA Part B Application
- Review subrecipient financial and performance reports
- Review A-133 and single audit reports
- Review requests for reimbursement of expenditures
- Comparison of requests for reimbursement with approved budget by function and code
- Regular contact with SAUs through meetings and telephone calls



Risk Assessment

- Quarterly meetings of program managers and other MDOE personnel
- Review SAUs whose internal controls (i.e. policies and procedures) are of concern or who have been red flagged for other reasons
- Assign weights to SAUs to determine those at risk based on matrix



Red Flags

- History of unsatisfactory performance
 - Timeliness of reports
 - Cash management issues
 - Historical audit findings
 - Timeliness of invoice submission
 - Response to corrective action plan



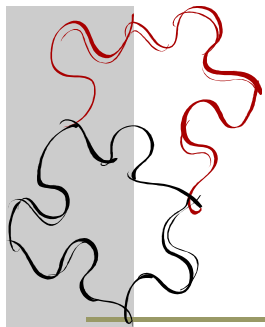
Red Flags (continued)

- Lack of financial stability
 - Change in personnel
 - Negative fund balances
 - Difficulty getting budget approval/operating without a budget
 - Failure to clear cash management issues



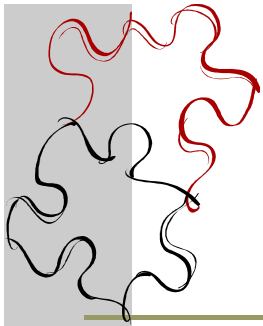
Red Flags (continued)

- A management system which does not meet standards of EDGAR 34 CFR 80
- Failure to conform to terms and conditions of previous awards
- General lack of fiscal responsibility



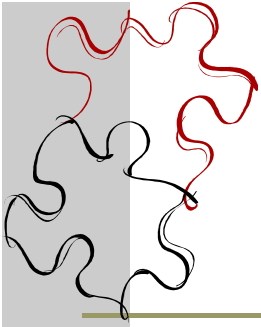
High Risk Matrix

Qualifying Factors	# of Points	Comments
A-133 or Single Audit Findings	30	Points to be decided by team based on nature of finding.
History of problems in grant administration, including inaccurate reporting.	20	Districts ranked as 3s, 2s and 1s in quarterly review receive 20, 10 and 5 points, respectively. Rankings are arrived at by consensus.
Excessive carryover in multiple project periods	15	
History of lateness in filing reports and applications	10	
History of problems with use of funds	10	
Change in personnel that might indicate high-risk	5	Not necessarily an indicator that a district has a problem
Corrective Action Plan from previous fiscal year that remains open	10	
SAU self-report of problems reduces points	-(##)	Based on nature and severity of problem.
Total Points		



MDOE Tiered Response Matrix

	MDOE Response	SAU Requirement
Level 1	Results Letter	No Response Required
Level 2	Results Letter	Corrective Action Plan Self-Assessment Follow-Up
Level 3	Results Letter	Correction Action Plan Self-Assessment Follow-Up Desk Audit and/or Site Visit

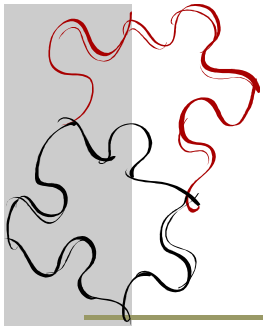


Findings

- Letter of Findings followed by Corrective Action Plan
- Correction within one year



Monitoring Matrix



Questions?

GSST Listen and Learn